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GENERAL

THE STREET THE PARTY AND THE PERSON 1. British propose new approach to Korean problem -- The British Foreign Office has transmitted to the Department of State a proposal for a new approach to the Korean problem. In order to prevent hostilities from dragging on "with the ever-growing risk of extension beyond Korea, the British propose a new UN Security Council resolution calling for a demilitarized zone in North Korea (bounded on the south by a line running from Hungnam to Chongiu and on the north by the Korean frontier). The British proposal is that reponsibility for this zone will be assumed by a UN body with Chinese Communist representation. The British feel that this plan would make it possible not only to terminate the whole Korean campaign at an early date, thus avoiding a costly military commitment, but also to allay Chinese Communist anxieties concerning UN aggressive intent against Manchuria. The British point out that from a military point of view the proposal has the following advantages: (a) the line from Hungnam to Chongju is approximately 150 miles long, as compared with the 400-mile length of the North Korean frontier; and (b) the UN air power advantage could be utilized without violating Chinese Communist territory if guerrilla activities were later to occur in the demilitarized zone. The British further comment that it is doubtful whether General Mac-Arthur has sufficient forces to drive to the North Korean frontier and maintain his position there without striking at Manchurian air targets.

FAR EAST

2. INDONESIA: Government moves against Communists-The US Consulate in Surabaya reports that Indonesian

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Approved For Release 2003/07/30 : CIA-RDP78-01617A006100020035-1 **T O P SECRET

Government forces were ordered into action against Communist bands in eastern Java on 17 November following a number of organized guerrilla raids on tobacco estates in the area, in the course of which seven Moslem political leaders were killed. Meanwhile, US Embassy, Jakarta, reports that the Indonesian Acting Prime Minister, after meeting with the governors of all provinces of Java and Sumatra, declared that the Government "really meant business" in implementing the recent decree requiring the surrender of unauthorized weapons. Commenting that the Acting Prime Minister appeared "supremely confident," the Embassy expresses the opinion that a "show-down" could occur within the next few weeks.